

Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 801-538-5340

October 1, 1992

Mr. Bruce A. Czyl Property Insurance Manager USG Corporation 101 South Wacker Drive Chicago, Illinois 60606-4385

Dear Mr. Czyl:

Re: Non-renewal Notification, Northern Trust Company - ILOC ______, USG Corporation, Jumbo-Jensen Quarry, M/041/008, Sevier County, Utah

The Division recently received a registered letter from The Northern Trust Company indicating their decision not to renew or extend the expiration date of USG Corporation's Irrevocable Letter of Credit # As you know, the \$216,700 ILOC is scheduled to expire on December 31, 1992.

By previous letters dated February 13 and March 3, 1992, the Division notified you of our tentative plans to schedule an onsite inspection of the Jumbo-Jensen Quarry to evaluate the accuracy of the existing reclamation surety amount. To date, we have not been able to perform this inspection due to permitting backlogs. The current surety is calculated in 1993 dollars and will need to be reevaluated and escalated to 1998 dollars before the 1993 year ends.

In any event, the existing ILOC will need to be extended or a replacement surety provided to this Division *no later than December 1, 1992*. Should USG Corporation fail to meet this timeframe, the Division will be forced to draw upon the ILOC for the full amount before its scheduled expiration date. State law prohibits this Division from allowing a large mining operation to operate without having adequate reclamation surety in effect.

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Please notify us at your earliest convenience of USG Corporation's intentions to rectify this reclamation surety concern. Thank you for your cooperation in this matter.

Sincerely,

D. Wayne Hedberg

Permit Supervisor

Minerals Regulatory Program

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cc: John Price, Northern Trust Company

Lowell Braxton, DOGM

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